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EXAMINER
GRAHAM, CLEMENT B

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *8/5/08.*.
2a)☐ This action is **FINAL.**   2b)☒ This action is non-final.
3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-27* is/are pending in the application.
    4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5)☐ Claim(s) _____ is/are allowed.
6)☒ Claim(s) *1-27* is/are rejected.
7)☐ Claim(s) _____ is/are objected to.
8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.
10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.
    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    a)☐ All   b)☐ Some * c)☐ None of:
      1.☐ Certified copies of the priority documents have been received.
      2.☐ Certified copies of the priority documents have been received in Application No. _____.
      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)
1)☐ Notice of References Cited (PTO-892)
2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3)☒ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date *3/9/07, 9/17/01, 10/29/07, 8/5/08, 1/9/08, 10/24/08.*
4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____ .
5)☐ Notice of Informal Patent Application
6)☐ Other: _____.

DETAILED ACTION
Information Disclosure Statement

1.   The information disclosure statement filed 3/26/02 fails to comply with 37 CFR

1.98(a)(1), which requires the following: (1) a list of all patents, publications,

applications, or other information submitted for consideration by the Office; (2) U.S.

patents and U.S. patent application publications listed in a section separately from

citations of other documents; (3) the application number of the application in which the

information disclosure statement is being submitted on each page of the list; (4) a

column that provides a blank space next to each document to be considered, for the

examiner's initials; and (5) a heading that clearly indicates that the list is an information

disclosure statement. The information disclosure statement has been placed in the

application file, but the information referred to therein has not been considered.

2.   Claims 1-27 remained pending.

Claim Rejections - 35 USC § 101

3.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or
> any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and
> requirements of this title.

4.   Claims 1, 13, 18 are rejected under 35 U.S.C. 101 because the claimed invention is

directed to non-statutory subject matter.

Claims 1, 13, 18 recite a process comprising facilitating trading at a market that includes

prices for a side and a contra-side of the market, the method receiving, receive input. Based on

Supreme Court precedent, a proper process must be tied to another statutory class or transform

underlying subject matter to a different state or thing (*Diamond v. Diehr,* 450 U.S. 175, 184

(1981); *Parker* v. *Flook,* 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson,* 409 U.S. *63,* 70

(1972); *Cochrane* v. *Deener,* 94 U.S. 780,787-88 (1876)). Since neither of these requirements is

met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To

qualify as a statutory process, the claim should positively recite the other statutory class to which

it is tied, for example by identifying the apparatus that accomplished the method steps or

positively reciting the subject matter that is being transformed, for example by identifying the

material that is being changed to a different state.

Claims 1, 13, 18 are directed towards a computer based system comprising modules or

steps. Modules and steps can be interpreted at consisting of software per se, and software is not

a patentable subject matter because it is not fall under a statutory class as being a process,

machine, manufacture, or composition of matter.

Claim Rejections - 35 USC § 103

5.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

6. Claims 1-27, are rejected under 35 U.S.C. 103(a) as being unpatentable over by

Madoff et al (Hereinafter Madoff U.S Publication 2001/0044767) in view of Hirayama

US Patent 6, 944, 879.

As per claim 1, Hirayama discloses a method of facilitating trading at a market that

includes prices for a side and a contra-side of the market, the method comprising:

receiving input at a market participant's computer, wherein the market participant is a trading

party participating in the market with other market participants, and the input satisfies a market-related condition, and automatically (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

Hirayama fail to explicitly teach at the market participant's computer, receiving a new contra-side best market price in advance of the other market participants as a result of satisfying the market- related condition and only while the market-related condition is satisfied by the input received at market participant "s computer.

However Madoff discloses according to an aspect of the invention, a method of auctioning products over a distributed networked computer system is provided. The method is executed over the system and includes entering an order for a product. The order can specify a price. The price can be a fixed price, a relative price or a market price. The order also specifies a quantity and an exposure time. The process also includes entering a response to an order, the response specifying a price, price improvement, and quantity and matching the order with the response in accordance with the exposure time specified by the order.(Note abstract and see para 0006-0011 and para 0055-0057 and 062).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Madoff to include at the market participant's computer, receiving a new contra-side best market price in advance of the other market participants as a result of satisfying the market- related condition and only while the market-related condition is satisfied by the market participant taught by Hirayama in order to provide an automated auction system for trading products such as equity and securities.

As per claim 2, Hirayama discloses wherein the satisfying and receiving are performed by a trading process (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 3, Hirayama discloses wherein the input satisfies the market-related condition by providing the best market price for a side of the market (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 4, Hirayama discloses Hirayama discloses a method of facilitating trading at a market that includes prices for a side and a contra-side of the market, the method comprising: automatically, via a computer, selecting a party to receive notification of a new contra- side best

market price in advance of other market participants, wherein the selected party is participating
in [[a]] the market with the other market participants,
automatically, via the computer or another computer, notifying the selected party of the new
contra-side best market price, and automatically (see column 5 lines 25-40 and column 6 lines 1-
42   and column 13 lines 1-14).
Hirayama fail to explicitly teach via the computer or another computer, measuring a
predetermined time from when notification of the new contra-side best market price was sent to
the selected party and, after the predetermined time has elapsed, notifying the other market
participants of the new contra-side best market price in advance of the other market participant
"s.

However Madoff discloses according to an aspect of the invention, a method of auctioning
products over a distributed networked computer system is provided. The method is executed over
the system and includes entering an order for a product. The order can specify a price. The price
can be a fixed price, a relative price or a market price. The order also specifies a quantity and an
exposure time. The process also includes entering a response to an order, the response specifying
a price, price improvement, and quantity and matching the order with the response in accordance
with the exposure time specified by the order.(Note abstract and see para 0006-0011 and para
0055-0057 and 062).
Therefore it would have been obvious to one of ordinary skill in the art at the time the invention
was made to modify the teachings of Madoff to include via the computer or another computer,
measuring a predetermined time from when notification of the new contra-side best market price
was sent to the selected party and, after the predetermined time has elapsed, notifying the other
market participants of the new contra-side best market price taught by Hirayama in order to
provide an automated auction system for trading products such as equity and securities.

As per claim 5, Hirayama discloses, wherein the selected party is a provider of a
best market price for a side of the market (see column 5 lines 25-40 and column 6 lines 1-42
and column 13 lines 1-14).

As per claim 6, Hirayama discloses further comprising checking, via the
computer or another computer, the identity of the selected party before notifying the selected

party of the new contra-side best market price (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 7, Hirayama discloses further comprising checking, via the computer or another computer, a recently posted price to determine if the recently posted price is a new contra-side best market price and if so then automatically notifying the selected party of the new contra side best market price (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 8, Hirayama discloses a system for facilitating trading at a market that includes prices for a side and a contra-side of the market, comprising:
a computer having a processing component that is configured to select a party to receive notification of a new contra-side best market price in advance of other market participants, wherein the selected party is a market participant participating in the market with the other market participants (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

Hirayama fail to explicitly teach wherein the processing component measures a predetermined time from when notification of a new contra-side best market price is sent to the selected party and, after the predetermined time has elapsed, the processing component notifies the other market participants of the new contra-side best market price.

However Madoff discloses according to an aspect of the invention, a method of auctioning products over a distributed networked computer system is provided. The method is executed over the system and includes entering an order for a product. The order can specify a price. The price can be a fixed price, a relative price or a market price. The order also specifies a quantity and an exposure time. The process also includes entering a response to an order, the response specifying a price, price improvement, and quantity and matching the order with the response in accordance with the exposure time specified by the order.(Note abstract and see para 0006-0011 and para 0055-0057 and 062).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Madoff to wherein the processing component measures a predetermined time from when notification of a new contra-side best market price is sent to the selected party and, after the predetermined time has elapsed, the processing component notifies

the other market participants of the new contra-side best market price taught by Hirayama in order to provide an automated auction system for trading products such as equity and securities.

As per claim 9, Hirayama discloses wherein the selected party is a provider of a best market price for a side of the market (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 10, Hirayama discloses wherein the processing component is-notifies the selected party of the new contra-side best market price in advance of the other market participants only while the price provided by the selected party remains the best market price for the side of the market (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 11, Hirayama discloses wherein the processing component is further configured to check a recently posted price for the side of the market to determine if the price is better than the price provided by the selected party, and if so, to replace the selected party with the provider of the recently posted price as a newly selected party to receive a new contra-side best market price in advance of the other market participants (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 12, Hirayama discloses wherein the processing component is configured to check a recently posted price to determine if the recently posted price is a new contra-side best market price before notification of the recently posted price is sent to a market participant (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 13, Hirayama discloses a computer-accessible medium having executable instructions stored thereon for facilitating trading, wherein the instructions, cause a computer to: select a party to receive notification of a new contra-side best market price in advance of other market participants, wherein the selected party is a market participant participating in the market with the other market participants,
notify the selected party of the new contra-side best market price (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).
Hirayama fail to explicitly teach measure a predetermined time from when notification of] the new contra-side best market price is sent to the selected party and

after the predetermined time has elapsed, notify the other market participants of the new contra-side best market price.

However Madoff discloses according to an aspect of the invention, a method of auctioning products over a distributed networked computer system is provided. The method is executed over the system and includes entering an order for a product. The order can specify a price. The price can be a fixed price, a relative price or a market price. The order also specifies a quantity and an exposure time. The process also includes entering a response to an order, the response specifying a price, price improvement, and quantity and matching the order with the response in accordance with the exposure time specified by the order (Note abstract and see para 0006-0011 and para 0055-0057 and 062).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Madoff to include measure a predetermined time from when notification of] the new contra-side best market price is sent to the selected party and after the predetermined time has elapsed, notify the other market participants of the new contra-side best market price taught by Hirayama in order to provide an automated auction system for trading products such as equity and securities.

As per claim 14, Hirayama discloses wherein the selected party is a provider of a best market price for a side of the market (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 15, Hirayama discloses wherein the instructions cause the computer to notify the selected party of the new contra-side best market price in advance of the other market participants only while the price provided by the selected party remains the best market price for the side of the market (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 16, Hirayama discloses wherein the instructions cause the computer to check a recently posted price for the side of the market to determine if the price is better than the price provided by the selected party, and if so, to replace the selected party with the provider of the recently posted price as a newly selected party to receive a new contra-side best market price in advance of the other market participants (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 17, Hirayama discloses wherein the instructions further cause the computer to check a recently posted price to determine if the recently posted price is a new contra-side best market price before sending notification of the recently posted price to a market participant. (see column 5 lines 25-40 and column 6 lines 1-42   and column 13 lines 1-14).

As per claim 18, Hirayama discloses a computer-accessible medium having executable instructions stored thereon for facilitating trading at a market, the market having a best market price for a side of the market and a best market price for a contra-side of the market, wherein the instructions cause a computer providing the market to:

receive an order having a new price for a side of the market,

determine if the new price is better than the best market price for the side of the market,

and when the new price is better than the best market price for the side of the market, the instructions further cause the computer to:

identify a trading party that is currently providing the best market price for the contra-side of the market, and notify the trading party of the new price (see column 5 lines 25-40 and column 6 lines 1-42   and column 13 lines 1-14).

Hirayama fail to explicitly teach wherein the notification is sent to the trading party in advance of sending notification of the new price to other market participants in the market such that the trading party is given a first look at the new price before the other market participants.

However Madoff discloses according to an aspect of the invention, a method of auctioning products over a distributed networked computer system is provided. The method is executed over the system and includes entering an order for a product. The order can specify a price. The price can be a fixed price, a relative price or a market price. The order also specifies a quantity and an exposure time. The process also includes entering a response to an order, the response specifying a price, price improvement, and quantity and matching the order with the response in accordance with the exposure time specified by the order (Note abstract and see para 0006-0011 and para 0055-0057 and 062).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Madoff to include wherein the notification is sent to the trading party in advance of sending notification of the new price to other market participants in the market such that the trading party is given a first look at the new price before the other

market participants taught by Hirayama in order to provide an automated auction system for trading products such as equity and securities.

As per claim 19, Hirayama discloses wherein the instructions further cause the computer to measure a predetermined time from when notification of the new price is sent to the trading party and, after the predetermined time has elapsed, to notify the other market participants parties of the new price (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 20, Hirayama discloses wherein the instructions further cause the computer to send the notification of the new price to trading party only while the trading party is currently providing the best market price for the contra-side of the market (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 21, Hirayama discloses wherein the input is received from a market participant operating the market participant's computer (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 22, Hirayama discloses further comprising communicating the input from the market participant's computer to a market process, wherein the market process is configured to provide an exchange at which the market participants engage in a trade, and wherein the new contra-side best market price is automatically received from the market process in advance of the other market participants only while the input continues to satisfy the market-related condition (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 23, Hirayama discloses wherein the market participant's computer receives the new contra-side best market price in advance of the other market participants for a determined amount of time, after which the new contra-side best market price is provided to the other market participants (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 24, Hirayama discloses wherein for a sell side of the market, the new contra-side best market price is higher than the previously highest bid price offered by at least one of the other market participants, or for a buy side of the market, the new contra-side best market price is lower than the previously lowest ask price offered by at least one of the other market participants (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 25, Hirayama discloses wherein for a sell side of the market, the best market price is the lowest ask price that any of the market participants have offered to take to sell, or for

a buy side of the market, the best market price is the highest bid price that any of the market participants have offered to pay to buy (see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 26, Hirayama discloses wherein for a sell side of the market, the new contra-side best market price is higher than the previously highest bid price offered in the market, or for a buy side of the market, the new contra-side best market price is lower than the previously lowest ask price offered in the market see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

As per claim 27, Hirayama discloses wherein for a sell side of the market, the best market price is the lowest ask price that any of the market participants have offered to take to sell, or for a buy side of the market, the best market price is the highest bid price that any of the market participants have offered to pay to buy see column 5 lines 25-40 and column 6 lines 1-42 and column 13 lines 1-14).

CONCLUSION
Response to Arguments

7.   Applicant's arguments files on 8/5/08 have been fully considered but they are not persuasive for the following reasons.

8.   In response Applicant "s arguments Applicant's arguments that Hirayama and Madoff fail to teach or suggest"select a party to receive notification of a new contra-side best market price in advance of other market participants, wherein the selected party is a market participant participating in the market with the other market participants, notify the selected party of the new contra-side best market price

measure a predetermined time from when notification of] the new contra-side best market price is sent to the selected party and after the predetermined time has elapsed, notify the other market participants of the new contra-side best market price and receiving input at a market participant's computer, wherein the market participant is a trading party participating in the market with other market participants, and the input satisfies a market-related condition, and automatically   at the market participant's computer, receiving a new contra-side best market price in advance of the other market participants as a result of satisfying the market- related condition and only while the

market-related condition is satisfied by the input received at market participant "s computer" the examiner disagrees with Applicant "s because the limitations were addressed in a combination of teachings as stated.

Hirayama discloses a method of facilitating trading at a market that includes prices for a side and a contra-side of the market, the method comprising:

receiving input at a market participant's computer, wherein the market participant is a trading party participating in the market with other market participants, and the input satisfies a market-related condition, and automatically (see column 5 lines 25-40 and column 6 lines 1-42   and column 13 lines 1-14).

Madoff discloses according to an aspect of the invention, a method of auctioning products over a distributed networked computer system is provided. The method is executed over the system and includes entering an order for a product. The order can specify a price. The price can be a fixed price, a relative price or a market price. The order also specifies a quantity and an exposure time. The process also includes entering a response to an order, the response specifying a price, price improvement, and quantity and matching the order with the response in accordance with the exposure time specified by the order.(Note abstract and see para 0006-0011 and para 0055-0057 and 062).

 Therefore it would have been obvious Applicant's claimed limitations were addressed within the teachings of Hirayama and Madoff.

9.   Any inquiry concerning this communication or earlier communications from the examiner should be directed to CLEMENT B. GRAHAM whose telephone number is (571)272-6795. The examiner can normally be reached on 7am to 5pm.

        If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thom Dixon can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

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For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Frantzy Poinvil/
Primary Examiner, Art Unit 3696

CG
Dec 6, 2008